



NEWSLINE

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Tennessee Department of Commerce and Insurance*



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May Seminar

Chairperson's Report

by Terri Walker, Chairperson



The Tennessee Auctioneer Commission Seminar for Middle Tennessee was held at the Perry County Community Center in Linden, Tennessee. The TAC was one of the first state agencies to make use of this new facility. There were 80 auctioneers and staff on hand for a program on Selling Firearms at Auction.

The next TAC Seminar program will be held in Jackson on May 16th, 2005, at the

DoubleTree Hotel on the Highway #45 By-pass. The program will be selling firearms at auction and a representative of the ATF will be there to provide you information. You will also receive a 21 page handout to help you with this program.

I would like to welcome Marvin Alexander of Martin, Tennessee, to the Tennessee Auctioneer Commission. Marvin has served on the Commission for a number of years in the 1990's. He brings a wealth of experience and knowledge to the TAC. I look forward to serving with him this year.

The Tennessee Auctioneer Commission is the first Regulatory Board to accept ONLINE renewal of licenses. You may go to the TAC website at the following web address:

<http://www.state.tn.us/commerce/boards/auction>. Click on *Renew Online* and you may use your credit card to renew your license. It is quick, easy, and convenient. I want to commend Lynn McGill and her staff for working so hard to get this new service up and running for our licensees.

As I travel and come in contact with auctioneers in other states and talk to them about the services their boards and commissions offer, I am proud to know that Tennessee is leading the way. Our free seminar program and free newsletter are now being implemented by other states that have followed our lead. Your Commission and Staff are proud to be setting a positive example for auctioneers all over the country.

I encourage you to become more active in your state and national associations. The network of fellow professionals that you build through the education and social gatherings will benefit you greatly over your career. Most auctioneers are more than willing to help you with problems that arise or provide you with information that will help you solve business problems.

I invite you to attend any meeting of the Tennessee Auctioneer Commission held each month in Nashville. I look forward to seeing you there.

COMMISSION MEMBERS AND STAFF

Terri Walker, Chairperson

Term 9/1/02 - 8/31/05

Howard Phillips, Board Member

Term 9/1/03 - 8/31/06

Marvin Alexander, Board Member

Term 11/30/04 - 8/31/07

Bobby Colson, Board Member

Term 8/31/04 - 8/31/07

John McLemore, Esq., Consumer Member

Term 9/1/04 - 8/31/07

Lynn McGill, Administrative Director

lynn.mcgill@state.tn.us

Sheila Piper, Administrative Assistant

sheila.d.piper@state.tn.us

Dennis Hodges, Investigator

dennis.hodges@state.tn.us

Website: www.state.tn.us/commerce/boards/auction

MISSION STATEMENT:

The mission of the Tennessee Auctioneer Commission is to protect the public and licensees by monitoring the auctioneer profession through licensure and regulation.

STATE OF TENNESSEE

DEPARTMENT OF COMMERCE & INSURANCE

TENNESSEE AUCTIONEER COMMISSION

500 JAMES ROBERTSON PARKWAY

DAVY CROCKETT TOWER, 6TH FLOOR

NASHVILLE, TENNESSEE 37243-1152

615-741-3236

615-741-1245 (Fax)

www.state.tn.us/commerce/boards/auction

Fundraising Auctions

by Terri Walker

Fundraising auctions can be a very profitable part of your auction business. In working with schools, hospitals, and other non profit organizations I have been able to share knowledge on how to raise thousands of dollars by having an auction. This event is not only used as a tool to raise money, but also as a way to get information out to the community about the charity.

This event is a gala. It provides silent auction entertainment, dinner, and of course, a live auction. The schedule of the evening is almost as important as the items that are sold.

As auctioneers, we find it important to get paid for sharing our time and talent with the charity. How do we do this? Our company does between 75-100 fundraising auctions each year and we are compensated financially. We spend nine months to a year working with each charity trying to help them develop a gala that will produce more income than they have received in the past. If it is their first auction, we encourage them to have a workshop. This is a class we provide to show the group how to put on the perfect event. This is usually done about a year in advance of the auction.

At the workshop we explain how the evening will work. We discuss every part of the event from getting items given, sending invitations, planning the dinner, printing the catalog, using correct forms, and decorating the facility, to checking out at the end of the auction.

There are three main points I like to bring out when I am giving a workshop. If a charity can have these the night of the gala, I can be assured they will have a great event. These three important things are: great gifts, prominent people, and, of course, a professional auctioneer.

The night of the event I am aware that I am working with volunteers and many people who do not attend auctions. I travel to many different states and often meet with the chairperson for the first time on the day of the auction. I spend many hours using emails and phone conversations to help develop the auction. The events held in Memphis or the surrounding areas give me more opportunities to attend the meeting, therefore providing more of a hands-on relationship.

Fundraising auctions can be an asset to your already successful auction company. When thinking about adding this division, it is important to realize that the time needed to make it successful is more

*(continued next column)***Disciplinary Corner**

Dennis Hodges, Investigator

JMAR, INC. d/b/a Jackson Real Estate & Auction \$100.00 Agreed Citation issued

Respondent ran an advertisement that was in violation of 0160-1-.20 ADVERTISING GUIDELINES. (1) Advertising in any form that is designed to give notice of an upcoming auction must include the name and license number of the auction firm or gallery responsible for holding the sale.

Gordon J. Greene \$300.00 Consent Order issued Respondent called bids at an auction for a company that did not have the proper license to sponsor an auction. TCA 62-19-102(a) (1) states that it is unlawful to act as an auctioneer, apprentice, or firm... without holding a valid license issued by the Commission. Section 62-19-111 states that an auctioneer is responsible for advertising, management, signatures... of a licensed firm. (Emphasis added.)

Tommy Todd \$300.00 Consent Order issued Respondent called bids at an auction for a company that did not have the proper license to sponsor an auction. TCA 62-19-102(a) (1) states that it is unlawful to act as an auctioneer, apprentice, or firm... without holding a valid license issued by the Commission. Section 62-19-111 states that an auctioneer is responsible for advertising, management, signatures... of a licensed firm. (Emphasis added.)

Larry M. Simms \$500.00 Consent Order issued Respondent allowed someone to conduct auction activity before being properly licensed. Tennessee Auctioneer Commission Law, § 62-19-102.(a)(1) It is unlawful for any person to: (1) Act as or advertise or represent to be, an auctioneer, apprentice auctioneer, or firm without holding a valid license issued by the commission under this chapter or prior state law.

Fundraising Auctions (continued)

than just attending the gala and calling bids.

Walker Auctions has developed this division by working with different charities over the past 25 years. It is time consuming but very enjoyable and rewarding.

If you have any questions or would like me to help with an event, please contact me.

AS LONG AS THERE IS BANKRUPTCY THERE WILL BE AUCTIONS

By John C. McLemore



Congress is just about to pass a new bankruptcy bill. The judges, trustees and practitioners who are involved with the administration of bankruptcy on a daily basis have been saying that for at least the past five years. This year it looks like the skids

may be greased. If it passes, the President will sign it and six months later we will have completely revised procedures.

Meanwhile, get ready for the largest volume of bankruptcies ever filed in a six month period in the history of the United States. Those who are just thinking about filing will rush to take advantage of the current law. One of the selling points for the new law has been that it is going to make the filing of bankruptcy more difficult. It will require filers to get credit counseling before their cases can be heard. Filers at a particular income level or higher will be forced to repay a portion of their debts through Chapter 13. These are major changes but they are not going to stop people from going broke.

When the rush to file is over and the new law takes effect, there are still going to be real estate and personal property assets to be liquidated. The quickest and easiest way for a Trustee to sell property will be by auction.

I am on the Chapter 7 Trustee Panel for the Middle District of Tennessee and I routinely use five different auction companies. Each is assigned counties and the location of the asset determines who will conduct the sale.

These are basic characteristics I expect of the auctioneers I employ.

Speed and accuracy—When I call an auctioneer and ask him to look at a house and 15 acres at 456 Blue Bell Road on which there is a \$50,000 first mortgage and a \$20,000 second, I expect a report in about three days. I want to know if the property is occupied or not. I want to know the likelihood of vandalism. And, most of all, I want to know if the property can be sold, the mortgages paid, the back taxes caught up and the auctioneer compensated with money left for distribution to unsecured creditors. No Trustee wants to administer a very small estate. I usually tell the auctioneer not to recommend sale

Bankruptcy (continued)

unless the estate will net at least \$5,000. If the auctioneer recommends sale and the property does produce \$5,000 for the estate at closing, I ask the auctioneer to contribute a portion of his commission to the cause. I have found this discourages overoptimistic evaluations.

When an estate has personal property to sell, my number one concern is security pending sale. An itemized inventory is essential. If the property cannot be locked where the debtor kept it, I want the auctioneer to either have a place to put the assets pending sale or find a place to put them, along with the skill to move them to a secure area without damaging them.

All bankruptcy auctions are subject to Court approval, but in almost all cases that approval is actually sought and obtained before the sale is held. When a potential buyer sees a Bankruptcy Auction ad for an estate I'm working, I want them to think ABSOLUTE AUCTION. Although I have the power to reject the winning bid, it is a safeguard I rarely use. Overall the best way to get the top price is to put the item on the block and let it go.

Whether we are working under the current bankruptcy law or the new law, I think these basic rules of the road are going to remain the same.

Renew your license at your convenience - Use our online renewal process - Quick and Easy! Go to <http://www.tennesseeanytime.org/tnauct/>

Q & A

Question: Can an auctioneer be the principal auctioneer in more than one real estate auction firm?

Answer: No, licensees can only be affiliated and act as an agent of one real estate firm at a time. An auctioneer/real estate licensee who holds himself out as acting as an agent of a firm without the proper affiliation would be acting as a real estate broker without a license. This is a violation of the law.

In the broker act, 62-13-309(e) states: "No more than one (1) license shall be issued to any broker or affiliate broker to be in effect at one time."

The only exception to the above would be a principal broker (PB) who is allowed by the Tennessee Real Estate Commission to be the PB of no more than two real estate firms located within the same office. So a principal auctioneer who is also the PB of both real estate firms could function as principal auctioneer of both firms.

(continued next column)

State CE Requirements

by Lynn McGill

More and more states are implementing continuing education for their licensees. For those of you who maintain auction licenses in more than one state, the need to stay abreast of these changes is extremely important. Below is a chart of states requiring continuing education at present or are in the process of implementing the requirement in the near future. You should contact the state directly for further information.

State Board	Hours Required	Notes
Alabama	6 hrs every 2 yrs	
Arkansas	6 hrs each year	
Georgia	8 hrs every 2 yrs	
Illinois	12 hrs every 2 yrs	
Indiana	16 hrs every 4 yrs	
Kentucky	6 hrs every 2 yrs	
Louisiana	6 hrs each year	
Mississippi		
North Carolina	4 hrs each year	
South Carolina	4 hrs each year	
Texas	6 hrs	Pending legislation
Virginia	6 hrs	Pending legislation
West Virginia	3 hrs each year	
Wisconsin	12 hrs every 2 years	



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"The Tennessee Department of Commerce and Insurance is committed to principals of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 741-2177 (TDD).

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www.state.tn.us/commerce/boards/auction

Next TAC Seminar - May 16, 2005

The next scheduled free seminar sponsored by the Tennessee Auctioneer Commission will be held on Monday, May 16, 2005 in Jackson, Tennessee. Our speaker will be Mr. Patrick Wilkerson, investigator for the Bureau of Alcohol, Tobacco and Firearms, Memphis division.

Facts at a Glance...

Date: Monday, May 16, 2005
Time: 8:00 a.m.
Place: Doubletree Hotel
1770 Highway 45 ByPass
Jackson, Tennessee
731-664-6900
Topic: "Firearms at Auction"
Credit 6 hours auctioneer credit

Pre-registration: None

Directions: From I-40: Exit 80-A through 2 stop-lights. Hotel is on the left.

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